

Notes to presentation

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The terms and conditions outlined in this presentation are intended for discussion purposes only and do not represent a commitment, agreement or guarantee by the Fund, the Fund's general partner, Principal Real Estate Investors, LLC, Principal Life Insurance Company ("Principal Life"), PFD or any other party. Further, no representation is made as to, and no responsibility is assumed for, the performance of the Fund. The information provided herein is confidential and shall not be reproduced, used or disclosed, in whole or in part, without the express written consent of Fund's general partner.

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There can be no assurance that any targeted results, diversification, capitalization asset allocations or returns will be met or that the Fund will be able to implement its investment strategy and investment approach or achieve its investment objective. Actual returns will depend on, among other factors, future operating results, the value of the assets and market conditions at the time of disposition, legal and contractual restrictions on transfer that may limit liquidity, any related transaction costs and the timing and manner of sale.

Statements contained in this presentation that are not historical facts are based on current expectations, estimates, assumptions, opinions and beliefs of the general partner of the Fund. Such statements involve known and unknown risks, uncertainties and other factors, and reliance should not be placed thereon. Additionally, this presentation contains "forward-looking statements." Actual events or results or the actual performance of the Fund may differ materially from those reflected or contemplated in such forward-looking statements. No such forward-looking statements, including any "hurdles" (which should be understood solely as internal benchmarks against which the Fund's general partner measures potential performance of investments at the time of underwriting), constitute a guarantee, promise, forecast or prediction of the future and none of the Fund, its general partner, advisor nor their respective affiliates nor employees represents or warrants that any forward-looking statements will be achieved. Furthermore, none of the Fund, its general partner, advisor nor their respective affiliates nor employees (i) assumes any responsibility for the accuracy or completeness of any forward-looking statements or (ii) undertakes any obligation to update or revise any forward-looking statements for any reason after the date hereof. Certain economic and market information contained herein has been obtained from published sources prepared by third parties and in certain cases has not been updated through the date hereof. While such sources are believed to be reliable, none of the Fund, its general partner, advisor nor their respective affiliates nor employees assume any responsibility for the accuracy or completeness of such information and no independent verification of such information has been undertaken.

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The Fund is speculative and involves a high degree of risk. The Fund's fees and expenses may offset the Fund's profits. The Fund is subject to investment and liquidity risk and other risks inherent in real estate and REITs such as those associated with general and local economic conditions. Investors should have the financial ability and willingness to accept the risk and lack of liquidity that are characteristic of the Fund. There will be not a public market for the limited partnership interests and they will not be transferable without the consent of the general partner of the Fund. No risk control mitigant is failsafe. Notwithstanding the mitigants described herein and in the Memorandum, investors may lose all or a significant portion of their investment, which may occur as a result of identified or unidentified risks.

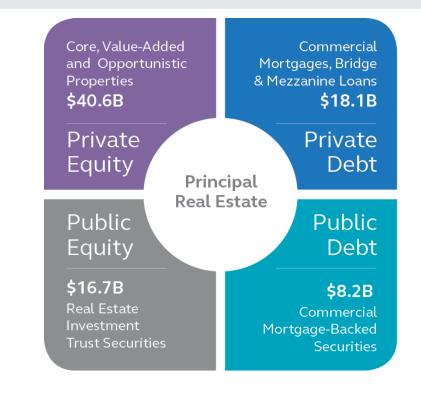
Any discussion herein of past, committed to or potential transaction opportunities should not be relied upon as any indication of future deal flow. There can be no assurance that any potential transaction opportunities described herein, or commitments to invest in certain transactions, will be consummated by the Fund. Furthermore, if any such potential transactions are actually consummated, there can be no assurance that such transactions will be executed on terms similar to the terms, if any, described herein. Any potential transaction opportunities identified herein do not represent all potential opportunities and, further, may represent only a small percentage of the opportunities that may be pursued by the Fund.

Table of contents

Firm overview	4
Principal Enhanced Property Fund	5
Portfolio and investment summaries	2
Fund terms and governance	37
Organizational overview	45
Additional information	56

Principal Real Estate

- \$83.7 billion in real estate assets under management
- Draw from over six decades of real estate investment experience¹
- In-depth coverage of over 50 U.S. metropolitan real estate markets
- Manage over 300 assets across 11 European countries
- Over 450 institutional clients
- Top 10 manager of real estate²

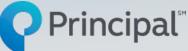


As of 30 June 2018.

Principal Real Estate includes the companies of Principal Real Estate Investors LLC, Principal Real Estate Europe Limited, and Principal Enterprise Capital, LLC. See Important Information page for AUM description.

¹Experience includes investment activities beginning in the real estate investment area of Principal Life Insurance Company and continuing through the firm to present. ²Managers ranked by total worldwide assets (net of leverage), as of 30 June 2017. "Largest Real Estate Managers", *PENSIONS & INVESTMENTS*, 16 October 2017.

Effective August 3, 2018, Principal Financial Group, Inc.. agreed to a realignment of a real estate investment management team within its Principal Global Investors ("PGI") segment. With the realignment, PGI no longer manages approximately \$9.0 billion of assets for a large real estate client.





Principal Enhanced Property Fund

Principal Enhanced Property Fund, LP is an open-end, commingled fund sponsored and managed by Principal Real Estate Investors. Notable features and objectives of the Fund include:

- > Pursues a nationally diversified portfolio of high-quality assets
- Pursues an "enhanced" or "core plus" investment strategy
- The Fund historically has paid a 5% annual dividend yield¹ and seeks to provide market competitive total returns

¹The dividend yield is subject to change and is not guaranteed. Past performance is not necessarily indicative, or a guarantee, of future performance and should not be relied upon to make investment decisions. See "Notes to Presentation." In addition, see the most recent annual or quarterly report for the Fund for one-year, three-year, five-year and since inception dividend yields. For one-on-one use only.



A team approach to portfolio management

Principal Enhanced Property Fund Portfolio Management Team **Todd White**

Managing Director, Portfolio Management

Mark Scholz

Portfolio Manager

Brent Heemskerk

Portfolio Analyst

Colin Frye

Portfolio Analyst

Principal Enhanced Property Fund Management Committee

- Meets at least quarterly
- Sets strategies & guidelines
- Reviews performance
- Approves all major decisions

Production Group Interaction Asset Management and Acquisitions/Dispositions

Asset Management

- Formal quarterly property review meeting
- Ongoing material event meetings Acquisitions/Dispositions
- Formal weekly meetings
- Ongoing activity meetings

Advisory Committee

- Meets three times per year
- Reviews Fund operations
- May approve changes to Fund restrictions or related property transactions

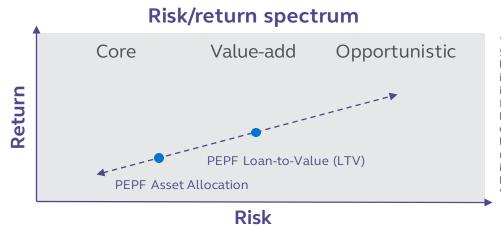
Investment strategy

Asset allocation

- Focus on stabilized, income producing assets (at least 75% of Gross Asset Value)
- Consider value-add and development opportunities expected to enhance total returns (up to 25% of Gross Asset Value)
- Pursue property types and markets expected to provide relative value

Leverage

 Utilize moderate leverage (target 40% -45% LTV) to attempt to enhance Fund returns and portfolio diversification*



*Leverage is allowed up to 50% LTV at the Portfolio level and 75% LTV at the individual asset level. May increase to 60% LTV at Portfolio level for investor liquidity or capital expenditures. Use of leverage involves risk and may magnify the extent of investment gains and losses of the Fund. See "Notes to Presentation."

2018 investment themes

Focus on income growth

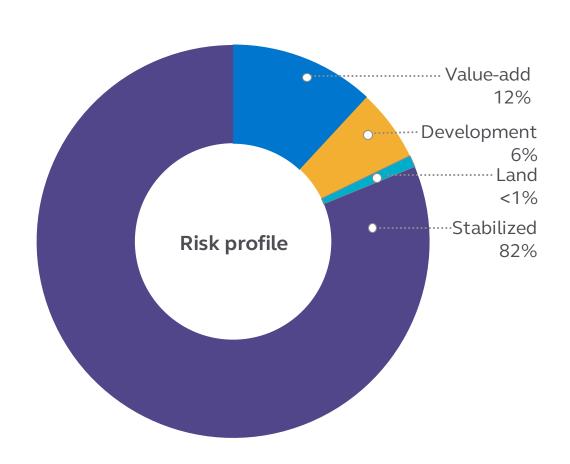
Seek to buy growing income streams and sell flat income streams

Utilize non-core allocation to seek attractive risk-adjusted opportunities

Lease-to-core Build-to-core

De-risk portfolio

Demographic driven investments Underweight office & retail Reduce interest rate risk



Fund profile

Piedmont Town Center Charlotte, NC



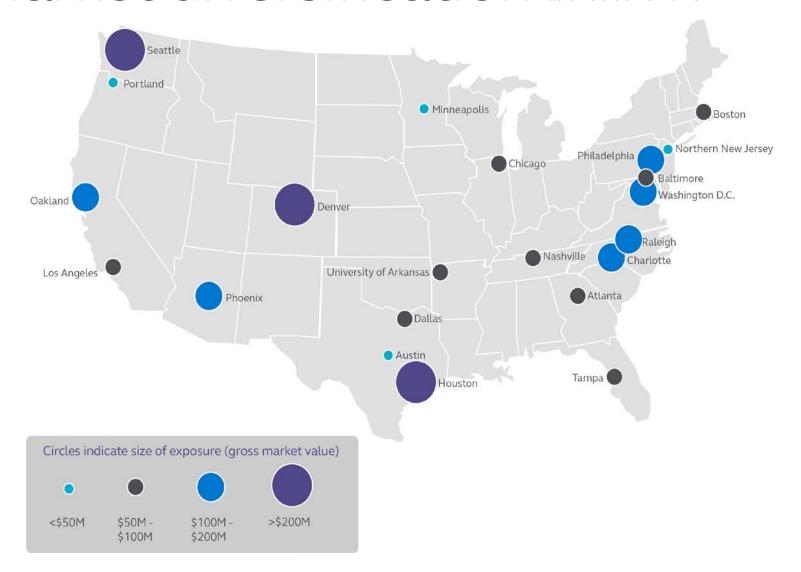
Key statistics as of 30 June 2018

¹Gross Asset Value and Net Asset Value reflect the Fund's ownership interest. Please refer to the Memorandum for a discussion of the appraisal process and the mark-to-market policy with respect to debt (and the risks related thereto).

²PEPF share of total debt (both property and portfolio) divided by PEPF share of total gross assets.

Inception	May 2004
Gross asset value ¹	\$2.69 billion
Net asset value	\$1.56 billion
Investments	45
Investors	83
Leverage ratio ²	36%
Portfolio occupancy	93%
Occupancy of stabilized assets (≥ 80% leased)	96%

Market diversification as of 30 June 2018





Office sector

As of 30 June 2018

100 St. Paul Denver, Colorado

31%

	NCREIF weight	36%	
Sector strategy	• Strategic range	30%-35%	
	Strive to maintain u	Inderweight position	

Portfolio weight

- Focus on class A/urban locations
- Seek to execute lease-to-core
- Add medical office to diversify portfolio

Current position



Retail sector

As of 30 June 2018

The Launch Boston, MA

Current position	Portfolio weight	18%			
	NCREIF weight	23%			
Sector strategy	 Strategic range 	15%-20%			
	Strive to maintain underweight position				
	Focus on owning primarily necessity-based formats				



Multifamily sector

As of 30 June 2018

Coda Denver, CO

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Current p	IOSILIOIT

Portfolio weight	28%
	••••••
NCREIF weight	24%

Sector strategy

- Strategic range 25% 30%
- Focus on markets with positive renter demographics
- Seek to execute light renovation strategy in compelling locations and buy/build campus-proximate student housing



Industrial sector

As of 30 June 2018

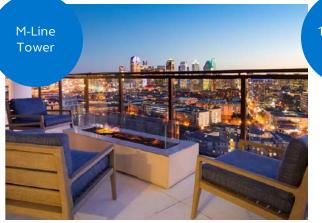
Oakesdale Seattle, WA

Current position	Portfolio weight	23%		
	NCREIF weight	16%		
Sector strategy	Strategic range	18%-23%		
	 Strive to maintain overweight position 			
	 Focus on product that appeals to rapidly growing e-commerce tenants 			
	 Seek to execute lea 	se-to-core and build-to-core		

Development summary

Under Construction	Туре	Size	Location	Estimated cost ¹	Leased status	Return on cost ²	Target stabilization
Westpark 85	Industrial	456,380 SF	Charlotte	\$28.8 M	21%	6.90%	1Q2019
San Leandro Business Center	Industrial	552,636 SF	Oakland	\$82.7 M	22%	7.10%	2Q2019
Ballard Blocks II	Mixed-use	114,048 SF	Seattle	\$31.3 M	57%	6.40%	1Q2020
Bellevue South	Mixed-use	183,015 SF	Seattle	\$107.7 M	88%	6.10%	1Q2020
100 North Addison	Multifamily	164 units	Chicago	\$50.1 M	0%	6.20%	2Q2020
Capital Distribution Center	Industrial	190,360 SF	Washington, D.C.	\$25.6 M	0%	6.40%	2Q2020
Total development activity				\$326.2 M			

Lease-Up	Туре	Size	Location	Estimated cost ¹	Leased Status	Return on cost ²	Target stabilization
BW Gateway	Industrial	289,678 SF	Baltimore	\$24.4 M	68%	7.20%	4Q2018
M-Line Tower	Multifamily	261 units	Dallas	\$67.6 M	78%	6.60%	4Q2018
Total lease-up activity				\$92.0 M			







As of 30 June 2018. 'Represents the Fund's share of the purchase price/estimated development costs. Illustrated properties are architect's renderings. Some properties shown are still under construction. See "Notes to Presentation." For a complete list of the Fund's investments, see "Portfolio Summary" pages. 'Percentages represent estimated unlevered gross internal rates of return for the subject properties until they attain leasing stabilization as defined by Principal Real Estate Investors. The Returns on cost for the properties shown are subject to change and may not be realized. More information on the projections of property income and other assumptions utilized for the estimates are available on request. For one-on-one use only.

Fund performance summary



	2018	rear-to-date	year	years	years	inception ⁵
PEPF total return (net) ²	2.03%	4.77%	9.96%	12.94%	13.76%	7.02%
PEPF dividend yield ³	1.00%	4.00%	6.25%	6.67%	7.01%	5.40%
PEPF income return (gross)	1.22%	2.46%	5.04%	5.77%	5.64%	5.10%
NFI-ODCE income return ⁴	1.05%	2.11%	4.29%	4.44%	4.68%	5.43%

One

Three

Five

Since

2nd quarter

As of 30 June 2018. ¹Total Return (Gross) is levered, after Fund expenses and cash, but before fees. ²Total Return (Net) is levered, after fees, Fund expenses and cash. Fees include asset management fees which range from 85-150 basis points and are billed outside the Fund, financing and incentive fees which are expensed, and development fees which are capitalized. ³Dividend Yield for the quarter is the quarterly dividend per Share divided by the beginning of quarter Share Price. YTD and One-Year Dividend Yield is the sum of quarterly Dividend Yields for the period. Three-Year, Five-Year and Since Inception Dividend Yield is the average quarterly Dividend Yield for the period times four. ⁴The NFI-ODCE (NCREIF Fund Index - Open-End Diversified Core Equity) is a gross fund-level capitalization weighted, time-weighted return index. ⁵Since Inception Returns from 18 May 2004. Returns over one year are annualized. As with all real estate investments, past performance is not necessarily indicative, or a guarantee, of future performance and should not be relied upon to make investment decisions. The ultimate returns realized by the Fund will depend on numerous factors, which are subject to uncertainty. See "Notes to Presentation." For one-on-one use only.

Estimated growth of net operating income (NOI)

Existing portfolio¹ estimated NOI (\$U.S. millions)



Reflects 36% cumulative NOI growth through 2020

Expected drivers of NOI growth from existing assets

Stabilized assets

\$20M

Bay Center, Cerritos, Piedmont Town Center, 1290 Broadway, 200 Kimball, 2401 Penn, Shops at Gainey Village, The Launch at Hingham Shipyard, Courts at Spring Mill Station, Bay Area Business Park, 100 St. Paul

Value-Add/development assets

\$17M

Coda, Foundry Lake Street, M-Line Tower, East Valley Commerce Center, BW Gateway, San Leandro Business Center

Total estimated NOI growth by 2020

\$37M

As of 30 June 2018.

¹Existing portfolio is defined as all assets owned by the Fund as of 31 December 2017 that were also owned at the beginning of 2017. Estimates for 2018 through 2020 assume all of the same assets are also owned by the Fund through 31 December 2020. Estimates are based on discounted cash flow models generated by Fund's independent Valuation Consultant and assume no early lease terminations, no events of payment default and all expiring leases during the projection periods are re-leased at the assumed then current market rates. Estimates have been prepared and set out for illustrative purposes only and do not in any manner constitute a guarantee, promise, projection, forecast of, or representation as to, the future and actual events and results may differ materially. See "Notes to Presentation." For one-on-one use only.

Debt summary

Debt maturities



	Interest Rate	% Of total debt
Fixed interest rate obligations	3.7%	78%
Floating interest rate obligations	3.8%	22%
Total obligations	3.7%	100%

 Remaining average term on fixed-rate debt is 6.3 years

As of 30 June 2018.

Why invest in PEPF?

Performance track record¹

- Total return exceeds benchmark for 1/3/5 year periods
- Above benchmark income return
- 5.43% dividend yield since inception²

Researchdriven positioning

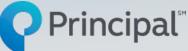
- Overweight industrial & multifamily
- Underweight retail & office
- Significant NOI growth forecast

Strong alignment with stable sponsor

- Fund portfolio managers have been with Principal over 20 years on average
- Part of fee based on exceeding 11% hurdle over extended time periods

¹Past performance is not a reliable indicator of future performance. Please see the Fund performance summary on page 17 for the Fund performance since inception and the current and historical dividend yield of the Fund.

²This dividend yield is subject to change and is not guaranteed.





Portfolio summary (1 of 2)

As of 30 June 2018.

¹Value reflects the Fund's ownership

Past performance is not necessarily indicative, or a guarantee, of future performance and should not be relied upon to make investment decisions. See "Notes to Presentation."

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Property	MSA	Acquisition date	Area	Occupancy	Value ¹ (\$MM)
Ougker Tower	Chicago		SF/units/acres	1000/	
Quaker Tower	Chicago	11/10/04	418,769	100%	\$68.3
1290 Broadway	Denver	8/22/05	251,206	86%	\$71.3
Cerritos Towne Center	Los Angeles	10/27/06	461,920	90%	\$88.1
Gainey Center	Phoenix	4/11/07	141,047	92%	\$37.1
Bay Center	Oakland	6/1/07	328,593	91%	\$130.4
Piedmont Office	Charlotte	10/18/07	415,299	92%	\$145.7
200 Kimball	Northern N.J.	4/9/08	175,093	91%	\$35.0
2401 Penn Office	Washington, D.C.	12/2/14	63,228	64%	\$40.4
Parkridge Four	Denver	10/20/15	192,359	83%	\$45.3
100 St. Paul	Denver	7/14/16	147,939	100%	\$74.7
Monument III	Washington, D.C.	8/9/17	192,325	77%	\$44.6
Office subtotal			2,787,778 SF	90.3%	\$781.0
Saltbox Village	Raleigh	5/18/04	53,416	100%	\$14.4
Baybrook Square	Houston	6/17/05	301,336	95%	\$85.5
Shops at Gainey Village	Phoenix	7/15/05	138,439	90%	\$69.2
Ballard Blocks I	Seattle	7/2/09	131,954	95%	\$27.3
Ballard Blocks II 3)	Seattle	3/31/09	0	N/A	\$8.9
Alhadeff Coliseum	Seattle	3/26/07	16,200	100%	\$23.3
Best Buy	Seattle	7/3/07	45,000	100%	\$20.2
Piedmont Retail	Charlotte	10/18/07	73,258	76%	\$23.7
Bellevue North	Seattle	8/18/09	74,044	100%	\$42.5
Bellevue South 3)	Seattle	8/18/09	0	N/A	\$26.6
Coleman Village	Atlanta	8/14/14	90,958	100%	\$19.7
2401 Penn Retail	Washington, D.C.	12/2/14	19,880	79%	\$19.4
The Launch	Boston	6/9/15	232,432	99%	\$62.5
Hartford Corners	Philadelphia	11/8/16	214,841	88%	\$31.3
Retail subtotal	,		1,391,758 SF	92.2%	\$474.6

Portfolio summary (2 of 2)

As of 30 June 2018.

Due to rounding, figures and percentages shown may not add to the totals or equal 100%. Past performance is not necessarily indicative, or a guarantee, of future performance and should not be relied upon to make investment decisions. See "Notes to Presentation."

Property	MSA	Acquisition	Area	Occupancy	Value ¹
Froperty	ITISA	date	SF/units/acres	Occupancy	(\$MM)
Mid-South Logistics Center	Nashville	10/17/06	1,531,016	100%	\$91.2
Oakesdale	Seattle	1/16/07	593,340	80%	\$82.3
Bay Area Business Park (Phase I)	Houston	1/17/07	1,179,960	98%	\$87.5
Bay Area Business Park (Phase II)	Houston	1/17/07	829,415	100%	\$61.2
Cascade Distribution Center	Portland	12/14/07	303,626	100%	\$30.3
East Valley Commerce Center	Phoenix	7/9/15	349,049	94%	\$33.0
BW Gateway	Baltimore	2/24/16	289,678	68%	\$28.5
RTP Industrial 2)	Raleigh	7/8/16	448,385	100%	\$37.9
San Leandro Business Center 3)	Oakland	12/16/16	0	N/A	\$66.6
Westpark 85 (Phase I) 3)	Charlotte	1/25/17	0	N/A	\$22.1
Power Secure	Raleigh	11/1/17	258,060	100%	\$27.5
Capital Distribution Center 3)	Washington, D.C.	11/17/17	0	N/A	\$11.6
Industrial subtotal			5,782,529 SF	95.7%	\$579.8
Coda	Denver	4/18/13	182	90%	\$77.0
21 Rio	Austin	11/5/14	158	100%	\$38.2
2401 Penn Apts	Washington, D.C.	12/2/14	40	90%	\$24.3
The Academy at Frisco	Univ. of Arkansas	1/29/15	219	97%	\$51.5
Foundry Lake Street	Minneapolis	2/25/15	164	81%	\$47.1
Shortbread Lofts	Raleigh	8/5/15	85	99%	\$41.3
M-Line Tower	Dallas	10/21/15	261	68%	\$81.5
The Courts at Spring Mill Station	Philadelphia	10/7/15	385	93%	\$118.1
Solaris Key	Tampa	5/12/16	426	96%	\$93.4
The Academy on Charles	Baltimore	11/4/16	106	94%	\$41.9
Sugarloaf Summit	Atlanta	10/24/17	378	93%	\$76.3
100 North Addison 3)	Chicago	11/20/17	0	N/A	\$20.0
Multifamily subtotal			2,404 units	91.0%	\$710.5
Westpark 85 (Phase II)	Charlotte	1/25/17	65.8	N/A	\$4.1
Land subtotal			65.8 acres		\$4.1
Total portfolio			9,962,065 SF	93.2%	\$2,549.9
			2,404 units		
			65.8 acres		

¹Value reflects the Fund's ownership interests.

²RTP Industrial Portfolio includes two investments.

³Development asset.

PEPF green accomplishments

- Focused on green initiatives that produce attractive return on investment
- PEPF has achieved or is pursuing LEED or ENERGY STAR certification at 17 existing properties totaling \$1,263.1 million, or 50% of gross real estate assets. (27 properties have achieved LEED or ENERGY STAR certification since inception)
- PEPF has ranked in the top quartile among U.S. diversified property funds every year that it has participated in the Global Real Estate Sustainability Benchmark Survey¹
- PEPF intends to continue to evaluate and pursue LEED or ENERGY STAR certification where it makes sense on future acquisitions and developments











Expected lease rollover As of 30 June 2018

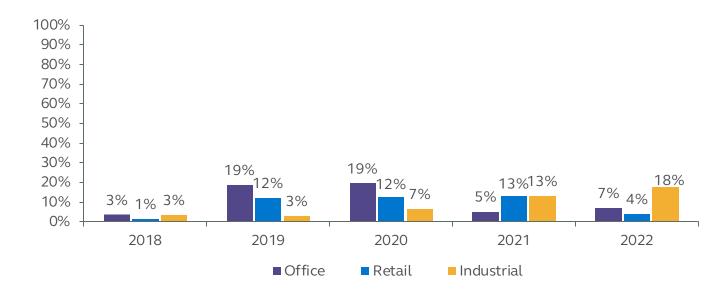
Portfolio rollover - excluding multifamily¹

Lease expiration	Vacant ²	2018	2019	2020	2021	2022	Thereafter
Area SF	791,629	308,631	854,699	1,095,308	1,087,730	1,285,749	4,538,319
Annual percentage ³	8%	3%	9%	11%	11%	13%	45%
Cumulative percentage ³	8%	11%	20%	31%	42%	55%	100%

¹Portfolio rollover shows when leases are scheduled to expire and assumes tenants fulfill their signed lease commitments. ²Current vacancy does not include signed leases where tenant has yet to occupy space. ³Annual and cumulative percentages shown are based on the total square footage of the expiring leases in the periods shown divided by current square footage in the Portfolio excluding apartments. Estimates are based on signed leases and assumes fulfillment.

Property sector rollover⁴

⁴Reflects annual percentage of lease expirations for each property sector based on the current property sector square footage. Estimates have been prepared and set out for illustrative purposes only and do not in any manner constitute a guarantee, promise, projection, forecast of, or representation as to, the future and actual events and results may differ materially. See "Notes to Presentation."



Largest 10 assets As of 30 June 2018

Property	MSA	Sector	% Of gross real estate assets	Occupancy
Piedmont Office	Charlotte	Office	6%	92%
Bay Center	Oakland	Office	5%	91%
The Courts at Spring Mill Station	Philadelphia	Multifamily	5%	93%
Solaris Key	Tampa	Multifamily	4%	96%
Mid-South Logistics Center	Nashville	Industrial	4%	100%
Cerritos Towne Center	Los Angeles	Office	3%	90%
Bay Area Business Park (Phase I)	Houston	Industrial	3%	98%
Baybrook Square	Houston	Retail	3%	95%
M-Line Tower	Dallas	Multifamily	3%	68%
Coda	Denver	Multifamily	3%	90%







Annual performance summary

Our total Fund return (net) has exceeded the 11% hurdle 10 out of 13 calendar years

Year end	Total Fund return (net) '
2017	9.34%
2016	13.43%
2015	20.32%
2014	13.80%
2013	17.58%
2012	12.60%
2011	16.91%
2010	12.63%
2009	-43.72%
2008	-15.70%
2007	12.82%
2006	16.95%
2005	23.69%

As of 30 June 2018. ¹Total Returns (net) are levered, after fees, Fund expenses and cash. Fees include asset management fees, which range from 85-150 basis points and are billed outside the Fund. financing and incentive fees which are expensed, and development fees which are capitalized. Past performance is not necessarily indicative, or a guarantee, of future performance and should not be relied upon to make investment decisions. See "Notes to Presentation."

Representative office properties





Quaker Tower Chicago, IL

Property summary:

Property type OfficeNet rentable area 418,769 SF

Leasing status 100%

• Value \$68,280,000

Bay Center Oakland, CA

Property summary:

Property type Office

Net rentable area 328,593 SF

Leasing status 91%

• Value \$130,400,000

Representative office properties





Piedmont Town Center Charlotte, NC

Property summary:

Property type Office

Net rentable area 415,299 SF

Leasing status 92%

Value \$145,700,000

1290 Broadway Denver, CO

Property summary:

Property type Office

Net rentable area 251,206 SF

Leasing status 86%

Value \$71,300,000

Representative retail properties





Baybrook Square Houston, TX

Property summary:

Property type Retail

Net rentable area 301,336 SF

• Leasing status 95%

Value \$85,500,000

Shops at Gainey Village Phoenix, AZ

Property summary:

Property type Retail

Net rentable area 138,439 SF

Leasing status 90%

Value \$69,200,000

Representative retail properties







Property summary:

Property type RetailNet rentable area 16,200 SFLeasing status 100%

• Value \$23,300,000

Ballard Blocks I Seattle, WA

Property summary:

Property type RetailNet rentable area 131,954 SFLeasing status 95%

Value \$27,300,000

Representative industrial properties







Oakesdale Seattle, WA

Property summary:

Property type IndustrialNet rentable area 593,340 SFLeasing status 80%

Value \$82,300,000

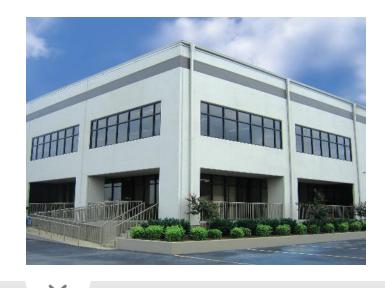
Bay Area Business Park - Phase I Houston, TX

Property summary:

•	Property type	Industrial
•	Net rentable area	1,179,960 SF
•	Leasing status	98%
•	Value	\$87.500.000

Representative industrial properties





Cascade Distribution Center Portland, OR

Property summary:

Property type Industrial
 Net rentable area 303,626 SF
 Leasing status 100%

Value \$30,300,000

Mid-South Logistics Center Nashville, TN

Property summary:

•	Property type	Industrial
•	Net rentable area	1,531,016 SF
•	Leasing status	100%
•	Value	\$91,200,000

Representative multifamily properties







Coda Denver, CO

Property summary:

Property type Multifamily

Number of units 182Leasing status 90%

Value \$77,000,000

Solaris Key Tampa, FL

Property summary:

Property type Multifamily

Number of units 426

Leasing status 96%

Value \$93,400,000

Representative student housing properties







Property summary:

Property type Student housing

Number of beds 301

Leasing status 100%

Value \$38,200,000

Shortbread Lofts University of North Carolina

Property summary:

Property typeStudent housing

Number of beds 368

Leasing status 99%

Value \$41,300,000

PEPF client locations

Globally diverse investor base across nine different countries



65% United States

12% Singapore

8% Netherlands

4% Denmark

4% Australia

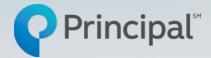
3% Chile

2% Hong Kong

1% Canada

<1% Japan







Summary of account terms

Inception date

18 May 2004

Legal structure

 Delaware limited partnership; each investment structured as a domestically controlled REIT

Investors

 U.S. and non-U.S.¹ pension funds, foundations, endowments and private investors

Minimum investment

• \$1.0 million

Contributions

Monthly

Distributions

Quarterly with re-investment option

Redemptions

Quarterly with 90 days' notice

Co-Investment

\$25 million initial co-investment by Principal Life

 $^{^{1}\}mbox{\sc Any}$ sales to non-U.S. investors are not through Principal Funds Distributor, Inc.

This information is presented as a summary of principal terms only and is qualified in its entirety by reference to the Fund's Memorandum, limited partnership agreement and the subscription documents related thereto, which are provided to each prospective investor upon request and should be reviewed carefully prior to making an investment in the Fund. In the event that any terms described herein are inconsistent with or contrary to the terms of those agreements, those agreements shall control. For one-on-one use only.

Investment guidelines

Property type*

• The Fund will only invest in office, retail, industrial and multifamily properties

Location

 Focus on 25 to 30 U.S. markets with MSA population greater than one million**

Transaction size

- \$10 million to \$100 million
- May consider smaller or larger properties

Leverage

- Up to 50% LTV at Portfolio level
- Up to 75% LTV at individual asset level
- May increase to 60% LTV at Portfolio level for investor liquidity or capital expenditures

Structure

- Most assets (> 50%) acquired on direct basis
- Joint ventures with qualified partners considered if Fund has majority equity economic interest and appropriate liquidity and control mechanisms

Hold/sell strategy

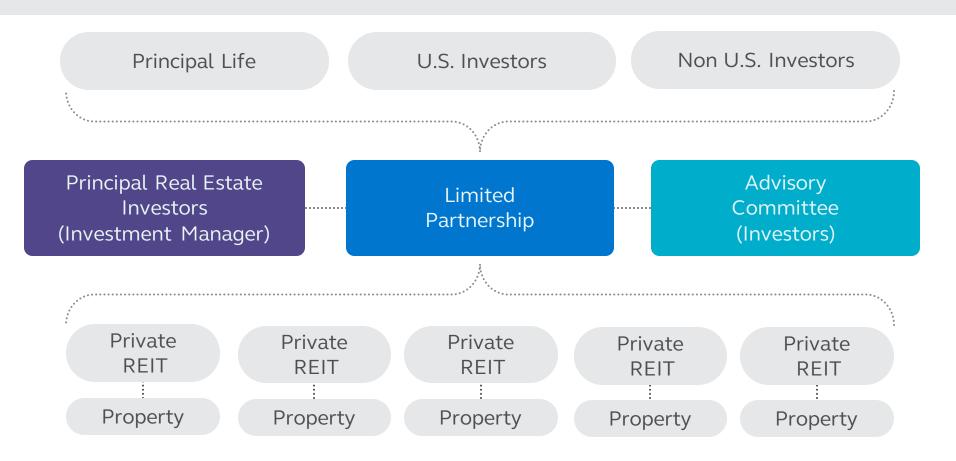
Fund investments may be held for short, medium or longterm periods to attempt to maximize investor returns and adhere to the Investment Guidelines

^{*}Not less than 10% or more than 50% allocation to each property sector; also subject to +/- 50% variance to current NCREIF Property Index allocation.

^{**}The Fund can make student housing investments in markets with population < one million. This information is presented as a summary of principal terms only and is qualified in its entirety by reference to the Fund's Memorandum, limited partnership agreement and the subscription documents related thereto, which are provided to each prospective investor upon request and should be reviewed carefully prior to making an investment in the Fund. In the event that any terms described herein are inconsistent with or contrary to the terms of those agreements, those agreements shall control. For one-on-one use only.

Fund structure

Principal Enhanced Property Fund, L.P.



Fee structure

Asset management fee

 Based on current NAV¹ of each investor's interest in the Fund; payable quarterly in arrears

Total equity invested	Annual fee ²
Up to \$1 million	150 bp
\$1 million up to \$5 million	140 bp
\$5 million up to \$10 million	130 bp
\$10 million up to \$50 million	120 bp
\$50 million up to \$100 million	110 bp
\$100 million up to \$150 million	100 bp
\$150 million and greater	85 bp

Incentive fee

• 15% of excess over an 11% Fund level IRR (after fees and expenses); payable every three years; subject to 50% reserve/clawback

Expenses

Fund pays formation, operating and management costs

¹NAV is determined based upon appraised values, which are updated quarterly by an independent valuation consultant.

²Fee structure based on investor's total equity investment, net of redemptions at cost. In addition, for certain investors that are collective investment vehicles, such investor's Asset Management Fee may be different from the above stated schedule.

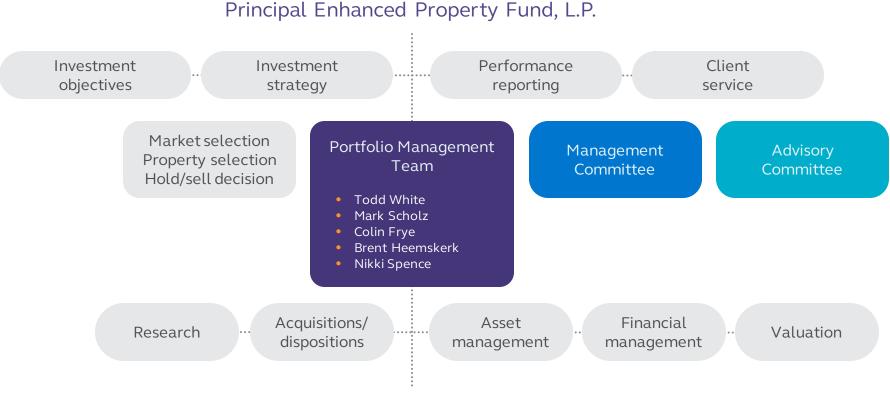
When a client increases the amount of their investment into a lower asset management fee tier, the entire balance is charged the lower fee level going forward. For one-on-one use only.

Fund management committee

ole	Real estate experience
hief Executive Officer	34 years
eal Estate Platform Management	33 years
ortfolio Management	24 years
cquisitions & Dispositions	32 years
sset Management	22 years
inancial Reporting	29 years
ales and Marketing	18 years
lobal Research and Strategy	19 years
ortfolio Management	23 years
ebt Portfolio Management	25 years
i i	eal Estate Platform Management ortfolio Management cquisitions & Dispositions sset Management nancial Reporting ales and Marketing lobal Research and Strategy ortfolio Management

Members of the management committee have on average **over 25 years of industry experience** and **over 23 years of firm experience**

Portfolio management process



U.S. Real Estate Portfolio

Risk management considerations and controls



Property and portfolio level

- Economy, Real Estate & Capital Markets
- Portfolio Diversification
- Risk & Return Parameters
- Property & Market Selection
- JV Structures → Liquidity & Control
- Property Management & Leasing
- Financing Strategy
- Hold / Sell Strategy
- Property Valuation
- Accounting & Financial Controls
- Property & Casualty Insurance

Fund/account and investor level

- Investment Strategy & Guidelines
- Fund / Account Structure (e.g., LP, REIT)
- Investor Capital Flows → Liquidity
- Sources & Uses of Capital
- Quarterly Distributions
- Fund / Account-level Business Plan
- Fund / Account Valuation → Net Asset Value
- Return Attribution & Benchmark
- Legal, Audit, & Tax
- Reporting & Client Service
- Potential Conflicts of Interest





Gain from the financial strength of our parent company, Principal®

A global investment management leader offering retirement services, insurance solutions and asset management to businesses, individuals and institutional clients.

- > Founded in 1879 and a member of the Fortune 500®; Nasdaq listed ("PFG")
- > Serving pension and institutional clients since 1941
- > Over 15,000 employees in offices worldwide

As of 30 June 2018



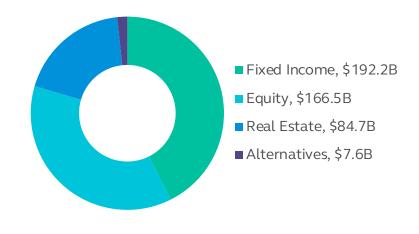


A global asset management leader

- Network of specialized investment boutiques managing assets for a broad range of investors, including some of the world's largest and most respected retirement funds
- An investor base spanning across over 75 countries
- Office locations in major financial markets worldwide
- Long-standing commitment to corporate stewardship
 - Signatory for United Nations-backed Principles for Responsible Investment (PRI)
- For the fifth year in a row, Principal®, a global investment management leader, earned a top spot among companies with 1,000 or more employees in Pensions & Investments' annual survey of the Best Places to Work in Money Management¹.
 - The survey ranks firms based on their responses to employer and employee questionnaires



Assets under management by asset class \$451.1 billion



As of 30 June 2018.

Due to rounding, figures and percentages shown may not add to the totals or equal 100%. ¹Pensions & Investments, "The Best Places to Work in Money Management among companies with 1,000 or more employees."12/11/2017. See Important Information page for AUM description.

Competitive advantages

Depth of resources

- Over 230 real estate investment professionals providing market knowledge and preferred access to transactions
- Fully integrated real estate platform

Unique perspective

- Substantial equity and debt business gives unique perspective of real estate and capital markets
- Ability to source and close significant volume of high quality investments
- Coverage of approximately 50 U.S. markets, as well as the ability to access off-market transactions

Performance focused

- Focus on strategic client relationships reduces allocation conflicts
- Owner perspective with focus on performance and achieving strong riskadjusted returns

Market knowledge

Disciplined credit process

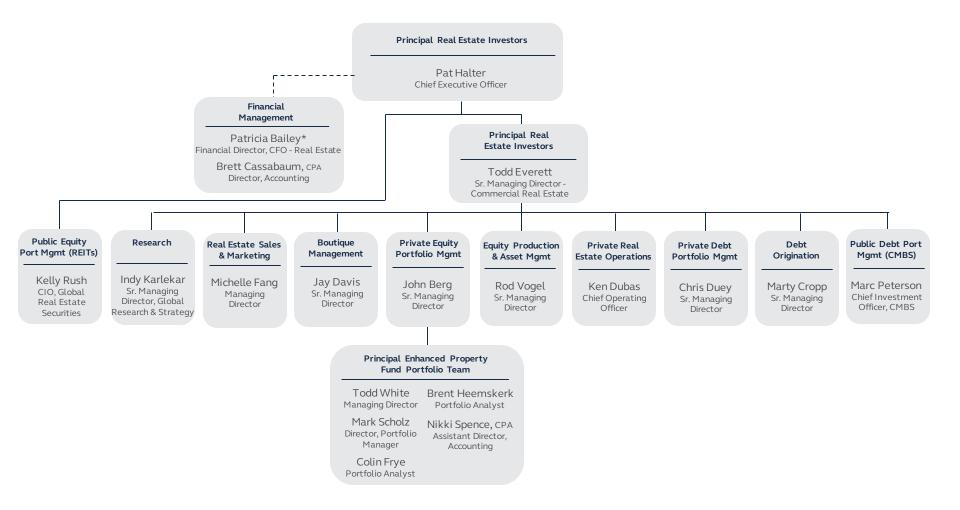
Core competencies

Portfolio surveillance & monitoring

Transaction access

Certainty of execution

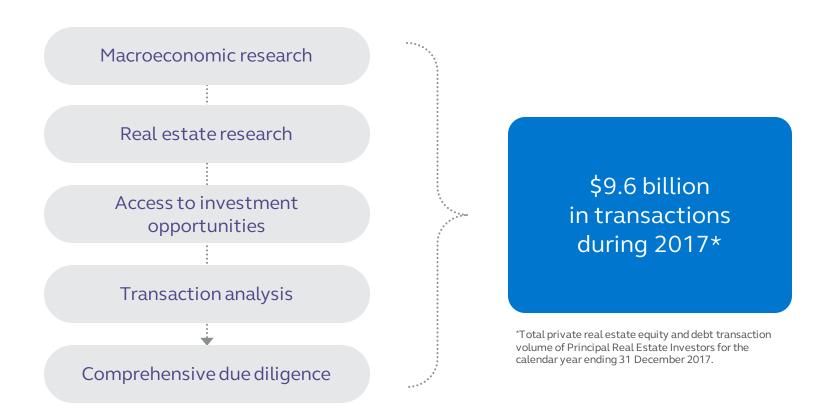
Principal Real Estate Investors





Investment process

Timely and disciplined execution



Research is fundamental to our investment strategy and process

- Macroeconomic and microeconomic research, including economic, political, technological, property trend and capital market analyses
- Supply and demand analyses of major property sectors in U.S. and European markets
- Research products
 - Comprehensive quarterly research and Capital Market reports
 - Real Estate Insights quarterly space markets update
 - Economic Base Analysis (EBA)
 reports at the market level, focusing
 on supply/demand relationships
 - Proprietary quantitative models and market specific research



Research process

Top-down/bottom-up approach

Principal Global Investors Economic Committee Principal Real Estate Investors Research Department External resources: Moody's Analytics, CBRE Econometric Advisors, REIS, CoStar

Top-down industry analysis

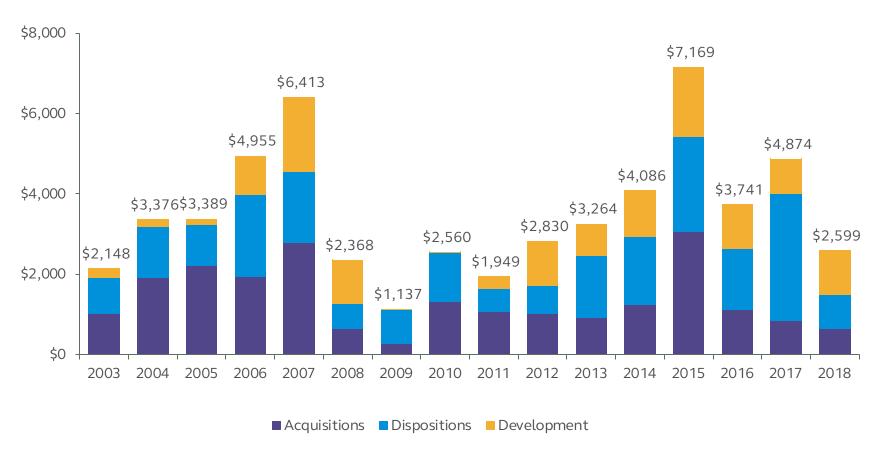
Informed investment decisions

Bottom-up asset analysis

Portfolio Management Acquisitions/ Dispositions Asset Management Real Estate Debt

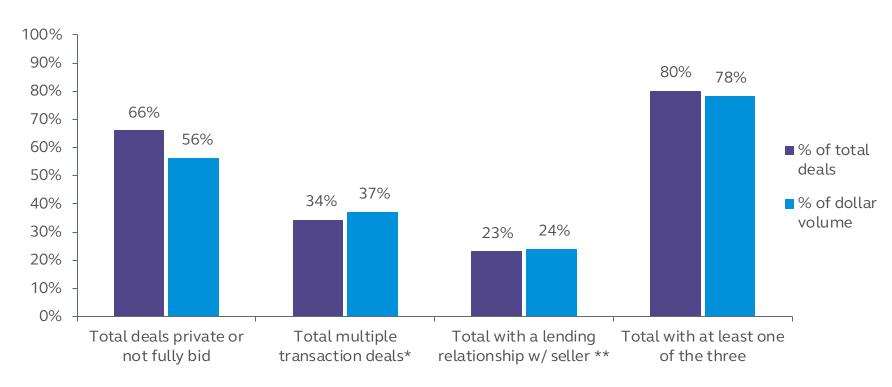
Transaction volume

Private real estate equity (millions) 2003 - 2Q 2018 = \$56.9 billion



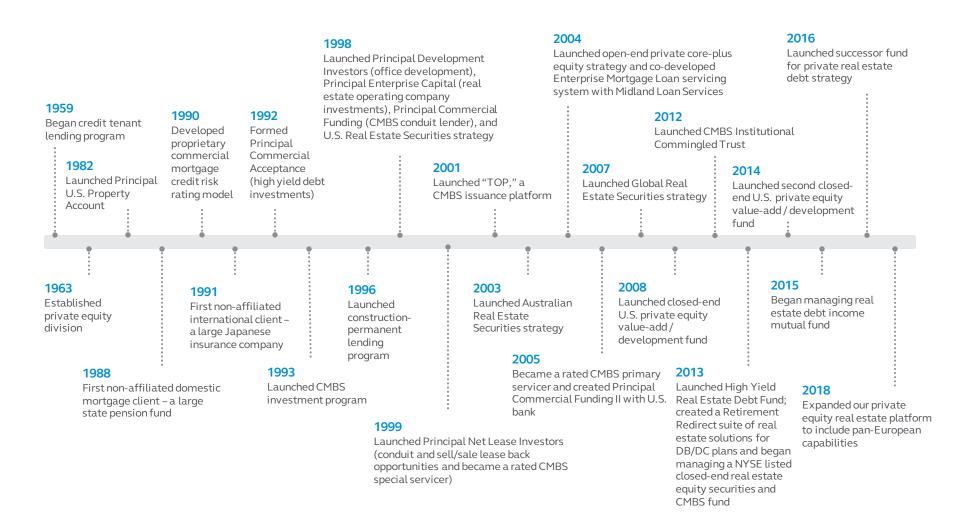
Real estate equity transaction access

Transaction access Acquisitions and development 2003 - 2Q 2018



As of 30 June 2018. Represents private real estate equity investments closed by Principal Real Estate Investors on behalf of discretionary and non-discretionary clients between 1 January 2003 and 30 June 2018. The aggregate number of deals represented is 668 and the aggregate dollar volume is approximately \$34.3 billion. *Repeat business; more than one acquisition with the same seller. **Includes direct mortgage lending, debt advisory, debt placement, and/or CMBS advisory or placement. For one-on-one use only.

A history of innovation



Principal Real Estate Investors became registered with the SEC as an investment adviser in November 1999. Activities noted prior to this date above were conducted beginning with the real estate investment management area of Principal Life Insurance Company and later Principal Capital Real Estate Investors, LLC, the predecessor firm to Principal Real Estate Investors, LLC. Not all of the initiatives listed above are still active. For one-on-one use only.





Biographies

Patrick Halter - Chief Operating Officer - PGI

Pat is chief operating officer for Principal Global Investors, the asset management arm of Principal Financial Group. In this role he is responsible for various business and investment management functions including finance, operations, technology, global firm relations and management oversight of various investment management boutiques. He also serves as chief executive officer of Principal Real Estate Investors, the dedicated real estate arm of Principal Global Investors. He serves as chair of numerous committees of Principal Global Investors and Principal Real Estate Investors. Pat joined the firm in 1984. He received an MBA in finance and a bachelor's degree in finance and marketing from the University of Wisconsin. Pat is past Chairman of the Board of the National Association of Real Estate Investment Managers (NAREIM). He is a member of the Real Estate Roundtable, and serves on the Board of the Graaskamp Center for Real Estate at the University of Wisconsin.

Todd Everett - Senior Managing Director-Commercial Real Estate

Todd is a senior managing director-commercial real estate at Principal Real Estate Investors, the dedicated real estate unit of Principal Global Investors. In this role, he is responsible for the oversight of the private debt, private equity and CMBS real estate investment quadrants. Todd joined the organization in 1985 and has served in a wide array of investment production, portfolio management and leadership positions. He is a graduate of the University of Nebraska with a bachelor's degree in finance and is a past chair of the CRE Finance Council's Portfolio Lenders Forum.

Brett Cassabaum - Director - Accounting

Brett is director-accounting at Principal Real Estate Investors, the dedicated real estate unit of Principal Global Investors. He is responsible for all aspects of accounting, internal control and financial statement preparation of the equity real estate financial reporting process. Brett joined the firm in 1989. Prior to Principal, Brett served as a senior auditor for Arthur Young & Company where he was responsible for all phases of the financial statement audits of small to mid-sized clients. He received an MBA from Drake University and a bachelor's degree in accounting from Central College. Brett is a member of American Institute of Certified Public Accountants and is an active participant in National Council of Real Estate Investment Fiduciaries (NCREIF).

Mark Scholz-Director, Portfolio Management

Mark is a director, portfolio management for Principal Real Estate Investors. He is a member of the portfolio management team for the Principal Enhanced Property Fund. He joined the firm in 1992. Prior to his current role, Mark was an investment director of asset management for Principal Real Estate Investors. Mark has 15 years of asset management experience throughout the United States, with most recent responsibility for the Washington, D.C., corridor and Florida. Mark has previous real estate experience with Merrill Lynch and Northwestern National Life Insurance. Mark has an MBA in finance from the University of Minnesota and a bachelor's degree in business administration from the College of St. Thomas.



Biographies

Todd White - Managing Director, Portfolio Management

Todd is a managing director on the portfolio management team at Principal Real Estate Investors. He is the fund manager of the Principal Enhanced Property Fund, LP on which he has worked since its inception in 2004. Todd joined the firm in 2000. Previously he worked for Clark Retail Enterprises (Chicago) as an acquisition manager and Deloitte as a senior auditor. Todd received a bachelor's degree in accounting from the University of Northern lowa in 1994 and was an Elijah Watts Sells Award bronze medalist on the May 1994 CPA exam. He is a member of the Pension Real Estate Association (PREA) and the National Association of Real Estate Investment Managers (NAREIM).

John T. Berg - Senior Managing Director, Head of Private Equity Portfolio Management

John is a senior managing director at Principal Real Estate Investors and oversees the firm's private equity portfolio management group. He is also the portfolio manager of the Principal U.S. Property Account, a core open-end real estate strategy. John joined the firm in 1994 and has spent his entire tenure with the firm in the real estate equity area. In addition to portfolio management, John has significant experience in asset management and product development. John received an MBA from the University of Iowa and a bachelor's degree in economics and psychology from Georgetown University. John serves on Principal Real Estate Investors' investment committee.

Rod Vogel - Senior Managing Director - Equity Production

As senior managing director of Equity Production, Rod is in charge of asset management, development, acquisitions and dispositions for Principal Real Estate Investors. In this capacity, he has managed investment transaction activity while also providing strategic direction on the assets managed by the firm. Rod also manages the project finance area for Principal Real Estate Investors. In this role he oversees the capital structuring of transactions for clients of the firm. Rod joined the firm in 1986. He received a bachelor's degree in finance and real estate from the University of Nebraska. Rod is a member of the National Multi Housing Council (NMHC) and the Urban Land Institute (ULI). He is also a voting member on Principal Real Estate Investors' Investment Committee.

Brian Sandfort - Managing Director, Asset Management

Brian is a managing director, Asset Management at Principal Real Estate Investors, the dedicated real estate group of Principal Global Investors. He is a regional director for the Central region of the United States including the cities of Chicago, Dallas/Fort Worth, Houston, and Minneapolis. Brian joined the firm in 1992 and was most recently an investment director - asset management at Principal Real Estate Investors. His background also includes experience as an actuarial analyst with the new business development and group area at the Principal Financial Group. He received an MBA from Creighton University and a bachelor's degree in mathematics from Hastings College. Brian is a Fellow of the Life Management Institute (FLMI).

Christopher Duey - Sr. Managing Director, Head of Private Debt Portfolio Management

Chris is a senior managing director, Head of Private Debt Portfolio Management for Principal Real Estate Investors, the dedicated real estate group of Principal Global Investors. In this role, he is responsible for the oversight of the private debt portfolio management team, which handles all investment activities for the affiliated and nonaffiliated private debt capital clients. In addition, he is involved with new business development activities involving various private debt programs. Chris joined the firm in 1992 and has held various roles within Principal Real Estate Investors, moving into his current position in 2017. Chris received an MBA from Drake University and a BBA in finance and marketing from the University of Iowa. He is a member of the Urban Land Institute.

Nikki Spence, CPA - Assistant Director - Accounting

Nikki is assistant director - reporting for Principal Real Estate Investors. She is responsible for portfolio level accounting and performance measurement for the Principal Enhanced Property Fund. Nikki joined the firm in 2002. Previously, she was an audit manager at KPMG LLP. Nikki received a master's and a bachelor's degree in accounting from Truman State University. She is a Certified Public Accountant and a member of the American Institute of Certified Public Accountants (ISCPA) and the lowa Society of Certified Public Accountants (ISCPA).

Biographies

Indy Karlekar, Ph.D. - Senior Managing Director, Global Research & Strategy

Indy is a senior managing director, global head of research & strategy at Principal Real Estate Investors, the dedicated real estate unit of Principal Global Investors. His responsibilities include helping with allocation of capital via the creation of real estate portfolio strategies across the four quadrants of commercial real estate. He also helps disseminate our economic and real estate views to external clients and is a member of Principal Global Investors Economic Committee. Indy joined the industry in 2003 and Principal Real Estate Investors in 2013. Prior to his current role he has served as an executive vice president and chief investment strategist at Cole Real Estate Investments and head of global research and strategy at ING Clarion. At ING Clarion, he worked on creating global top-down asset allocation strategies by analyzing macroeconomic and real estate variables and was also responsible for investment research, white papers, and new product development. Prior to ING, Indy was a member of the global research team at AIG Global Real Estate. Indy started his career as an Economic Analyst at The Economist Intelligence Unit. He received a Ph.D. in economics from University of Cambridge and is a member of PREA,NCREIF and AFIRE.

Brent Heemskerk - Portfolio Analyst III

Brent is a commercial real estate portfolio analyst for Principal Real Estate Investors. He is responsible for providing analytical, research and reporting support for the Principal Enhanced Property Fund. Prior to his current role, Brent was an asset manager working in the Eastern Region with his most recent responsibilities including New York, Boston, and New Jersey. Brent holds an MBA and bachelor's degrees in finance, marketing, general business and entrepreneurial management from Drake University.

Colin Frye - Portfolio Analyst I

Colin is a commercial real estate portfolio analyst for Principal Real Estate Investors. He is responsible for providing analytical, research and reporting support for the Principal Enhanced Property Fund. Colin has completed two internships with the Principal Enhanced Property Fund in 2014 and 2015. He received a bachelor's degree in real estate and finance from the University of Northern Iowa.

William A. Grayson - Director, Institutional Marketing

Bill is a director of institutional marketing at Principal Global Investors. He joined the firm in early 2000. Previously, Bill was marketing director for a fixed-income unit of Bank of America. Prior to that, he spent more than a decade as a relationship manager with Bankers Trust Company and Boatmen's Trust Company working primarily with Taft-Hartley and public funds. Bill received a bachelor's degree in economics from Southwest Missouri State University and his Certified Employee Benefit Specialist Designation from the University of Pennsylvania Wharton School of Business. He is a Registered Representative of Principal Securities, Inc. and passed the FINRA Series 7 and 63 examinations.

Michelle B. Fang - Managing Director, Real Estate

Michelle is a managing director, real estate at Principal Real Estate Investors, the dedicated real estate unit of Principal Global Investors. She works closely with both the real estate portfolio management teams and generalist sales and consultant relations staff to raise capital for the firm's private U.S. real estate and global property securities products. Michelle joined the firm in 2012. Prior to her current role, Michelle led the investor relations and portfolio analytics team at Metropolitan Real Estate Equity Management and held multiple product design, research, and marketing roles during her tenure with GE Asset Management. She received a bachelor's degree in communications from University of Pennsylvania. She is a member of the Defined Contribution Real Estate Council and the PREA Defined Contribution Affinity Group.



Important information

Unless otherwise noted, the information in this document has been derived from sources believed to be accurate as of August 2018. Information derived from sources other than Principal Global Investors or its affiliates is believed to be reliable; however, we do not independently verify or guarantee its accuracy or validity. Past performance is not necessarily indicative or a guarantee of future performance and should not be relied upon to make an investment decision. The information in this document contains general information only on investment matters. It does not take account of any investor's investment objectives, particular needs or financial situation and should not be construed as specific investment advice, an opinion or recommendation or be relied on in any way as a guarantee, promise, forecast or guarantee of future events regarding a particular investment or the markets in general. All expressions of opinion and predictions in this document are subject to change without notice. Any reference to a specific investment or security does not constitute a recommendation to buy, sell, or hold such investment or security, nor an indication that Principal Global Investors or its affiliates has recommended a specific security for any client account. Principal Group, Inc., Its affiliates, and its officers, directors, employees, agents, disclaim any express or implied warranty of reliability or accuracy (including by reason of negligence) arising out of any for error or omission in this document or in the information or data provided in this document. Any representations, example, or data not specifically attributed to a third party herein, has been calculated by, and can be attributed to Principal Global Investors. Principal Global Investors disclaims any and all express or implied warranties of reliability or accuracy arising out of any for error or omission attributable to any third party representation, example, or data provided herein.

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